

EXHIBIT

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David G. Martin
Vice-President
MidAmerica Territory

Re Referral of Accelerated Payment Plan as "Paid-Up"

Dave, as the attached file will indicate, I have been expressing my serious concern about the impact of our changing dividend scales and how it affects policyholders currently on AP and those who are expecting their policies to go on AP. From our perspective, the problem has been seriously compounded because of the marketing strategy used to sell or explain the concept of AP. It is very apparent from our experience that a substantial percentage of these policyholders were told that once AP took effect, they were "paid up" policies. With another dividend scale change for 1993, this problem is going to become even more serious.

The feedback I received from New York was that the Marketing side of the house did not feel that the use of the term "paid-up policy" was a widespread practice. Based on the phone calls and letters we receive, I believe it is much more common than is realized. Considering the number of cases we encounter, if it was not widespread, it was still widespread enough that it may cause significant problems. These situations are occurring now on policies that were supposed to become paid up and it will impact us in the future when policies currently on AP will not have sufficient dividend balances to cover all future premiums.

Dave, attached is one such case which is a classic example. Inasmuch as it involves a sales office in MidAmerica, I thought you might be interested in seeing it. The policyholder became concerned and sought confirmation from the branch manager. Attached is a copy of the letter from the Branch Manager. While the Branch Manager may have attempted to cover himself in the second paragraph, the first paragraph would appear to be very clear as to when AP would take effect and the fact that future premiums would not be required. The letter states:

"Once the premiums are paid for six years and the Automatic Premium Payment is selected by you, the policy is paid-up." (Emphasis Mine)

Dave, I am also attaching my file so you will have more of the background. This is having a growing negative impact on some of our policyholders as well as our administrative operation. But I am much more concerned about the potential impact it could have on our future marketing efforts if we don't attempt to address this issue with our policyholders soon.



J. L. Rayl
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

December 23, 1992

cc Barbara Gardner (Current Attachments Only)

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Metropolitan Life Insurance Company
Metropolitan Property and Liability Insurance Company
Highland Place, Suite 308
6151 Wilson Mills Road, Highland Heights, OH 44143
(216) 449-3900



Craig J. Ruthsatz
Branch Manager

Registered Representative
Leaders Conference
2 Times Qualified

Dr. [REDACTED]

Dear Dr. [REDACTED]

This letter is in response to some of the concerns you have on policy #90 [REDACTED] PR. Once the premiums are paid for six years and the Automatic Premium Payment is selected by you, the policy is paid-up. Thus you do not have to pay any more and the extended term insurance would not apply after payment is made for six years.

The dividends are decided by the Board of Directors of Metropolitan Life Insurance Company. To the best of our capabilities, we pay the illustrative cash value as shown on the illustration. An illustration and a comparison with CD is attached. However, the illustrative dividends are not guaranteed. A 20 year dividend comparison is also attached.

I hope, I have answered all your questions. However, feel free to call me at 216-449-3900 if you would like any more clarification.

Sincerely,


Craig J. Ruthsatz
Branch Manager

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POL INFO

Life/Health/Annuities* Automobile* Homeowners*

*Not yet available in all states

MP4011071028

ATTN: Dividend Plan Unit
MetLife, P. O. Box 21209
Tulsa, Oklahoma - 74121-1209

November 16, 1992

REF: Paid up policy in six years for Policy #90 [REDACTED] PR issued to [REDACTED]

Dear Sir/Madam:

This is regarding some concerns I have regarding the policy sold to me by your sales agent Ranjan Jagetia (in Highland Heights branch, Ohio). He sold this policy emphasizing that the policy will be paid in full in five years, and at worst in six years. I bought this policy because I was assured by Metlife sales representatives that this insurance scheme is an investment scheme compared to simpler but cheaper term insurance schemes. I was also told that this policy will almost guarantee 12% rate of interest in addition to life insurance, and act as money sheltering plan in future.

Upon receipt of the contract, I was puzzled by the wordings of the letter which seemed to imply, I may have to pay indefinitely depending upon the dividend rate. I was very much concerned, and sought clarifications from the branch manager Mr. Craig Ruthsatz. I was told that it was certain that I would not have to pay more than six annual premiums of \$3427.50 for six continuous years even under the worst circumstances. The branch manager further assured me that METLIFE is best in the business, and will follow its dividend scale although it is decided yearly by the board of directors, and it could go through minor variations. I requested him to give these assurances in writing as the representatives of METLIFE insurance company. I was given the enclosed letter signed by Mr. Craig Ruthsatz which clearly assured me of METLIFE's commitment to have the policy paid up by the end of six years. The contract was accepted by me subject to these assurances.

Recently, I came to know that payment period is being changed by insurance companies. I contacted Ranjan Jagetia, and he told me that main office has my policy as being paid up on November 1997 at the current dividend rate. I was very much concerned, and sent a photocopy of the written commitment to Ranjan Jagetia who in turn promised to send to the main office immediately.

After Ranjan Jagetia failed to give satisfactory answer, I talked to Kim - the costomer representative at the main office (1-800-MET-LIFE) on November 16, 1992, and she said that the written commitment from the branch manager will be honored, and I should explain the situation to your office. I hope that you would find this explanation satisfactory. As suggested by Kim, I am enclosing a copy of the letter given by the branch manager. Please let me know if you need any more information. I am also enclosing my third premium as a token of trust. However, I will request a written assurance from the main office that the confusion has been taken care of. If I have to pay more and possibly indefinitely simply to have life insurance, I will prefer to choose much cheaper group term insurance for next ten to fifteen years (After which I will have sufficient savings to support my family without any insurance) from other agencies of which I am a member. instead of sinking my money.

With best regards [REDACTED]

Dr. [REDACTED]

(home) [REDACTED]

(work) [REDACTED]

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Kathy Schoos
Director
Customer Services & Communications
MetLife Customer Service Center - Warwick

Re Accelerated Payment Plan

Kathy, I just want to say "Thanks" for your letter of support on this to Tom LaBadia. In one of my conversations with Tom, he indicated that the "marketing" people felt that the number of representatives using the term "paid-up" was limited to a very small number. Needless to say, I disagreed with this and have been trying to illustrate that this is not the case. Your letter of support should also help make the point.

I don't remember the exact details, but Tom mentioned that Dave Martin was one of the people involved in the discussions that took place on this issue. If I remember correctly, I think Dave is chairman of some field committee that was supposed to address how we dealt with the dividend scale change, etc. I also assume it was Dave that felt the use of the term "paid-up" was not widespread.

It just so happened that I received a great complaint case and the policyholder had a letter from one of Dave's Branch Managers using the term "paid-up." Consequently, I wrote the attached letter to Dave. Although he may have been aware of it, I also sent him a copy of my entire file on this including the TMOS files from several complaints we received. I considered also sending this to Tom LaBadia and/or Frank Lynch, but considering my already strained relationship with Dave, I decided against it as I'm sure it would have annoyed him. I am just in hopes that this makes enough of a point that he might be willing to change his position.

But anyway, thanks for the letter. I'm not particularly optimistic, but no one will be able to say we didn't try and tell them.

J. L. Rayl
Director
Customer Services & Communications
MetLife Customer Service Center - Tulsa

December 31, 1992

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